

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF)
CONFEDERATE ACRES SANITARY) CASE NO, 8719
SEWER AND DRAINAGE SYSTEM, INC.)

O R D E R

IT IS ORDERED that Confederate Acres Sanitary Sewer and Drainage System, Inc., ("Confederate Acres") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record by December 22, 1982. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed. Confederate Acres shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested.

1. Provide copies of Louisville Water Company remittance advices for the months July 1981 through August 1982,
2. Provide copies of the monthly utility bills related to the test period cost of \$10,298.60,
3. Provide a detailed list of repairs related to the test period cost of \$5,721.78. (Invoices limited to \$50 and above,)

4. Submit a revised depreciation schedule for the year ending July 31, 1982, which will support the test year depreciation charge of \$3,208 (Attached, you will find a copy of the depreciation schedule submitted in your previous rate case).

5. Provide a copy of the letter from Andriot-Davidson's Service Co., which would substantiate the proforma adjustment of \$9,600 related to routine operation and maintenance. If there is a tendered contract in existence, at this time, include a copy of that document also.

6. Provide a detailed analysis of proforma office expense of \$1,364. Also, provide the name of any employees whose salaries are in this account.

7. The account, "Rents," indicates a test period cost of \$800. Please identify the recipient of these rental payments, and the type of space provided.

8. On exhibit number 1, item number 6, Confederate Acres has executed three demand notes in favor of Loyle Allen Developers and Builders, Inc. as follows:

December 31, 1979 - \$11,920.15 @ 8 percent per annum,

December 31, 1980 - \$11,370.65 @ 10 percent per annum,

December 31, 1981 - \$ 3,913.62 @ 12 percent per annum,

Please state, for the record, the purpose of each note,

9. On the balance sheet dated July 31, 1982, the liability account, "Long-term Debt," indicates a remaining balance of \$77,491.35. Submit documentary evidence to substantiate the principal debt and interest expense. Attached, there is a copy of the evidence submitted in the previous rate case which would be sufficient in this instance.

10. Provide a detailed analysis of rate case expenses of \$2,400.

11. Provide a copy of Confederate Acres' last Federal and State tax returns.

12. Provide a copy of the court judgement entered against Confederate Acres in the sum of \$28,169.78, which has been used as a basis for proforma adjustment number 11 to operating expenses for the test period.

Done at Frankfort, Kentucky, this 8th day of December, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

YEAR ENDING 9/30/77

ADDRESS 5431 Carol Way, Louisville, Kentucky 40214

| 1) KIND OF PROPERTY | 2) DATE ACQUIRED | 3) COST OR OTHER BASIS | 4) DEPR. ALLOWED (OR ALLOWABLE) IN PREVIOUS YEARS | 5) METHOD | 6) RATE (%) OR LIFE(YRS) | 7) YEAR |
|-----------------------------|------------------|------------------------|---|-----------|--------------------------|----------|
| 1. Sewage & Drainage System | Van & 1-59 | 98 350 22 | 83 160 29 | SL-RL | 25 YEARS | 633 00 |
| 2. New Addition | 10-72 | 500 00 | 148 32 | SL-RL | 25 YEARS | 15 00 |
| 3. New Addition | 10-73 | 22 778 11 | 5 330 61 | SL-RL | 25 YEARS | 735 00 |
| 4. New Addition | 10-74 | 19 286 43 | 3 239 52 | SL-RL | 25 YEARS | 668 00 |
| 5. New Addition | 10-77 | 19 165 00 | | SL | 25 YEARS | 767 00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | 160 279 76 | 91 878 74 | | | 2 818 00 |

Case No. 7374

EXHIBIT - I

FINANCIAL EXHIBIT

CONFEDERATE ACRES SANITARY
SEWER & DRAINAGE SYSTEM, INC.
5431 Carol Way
Louisville, Kentucky 40214

In accordance with Rule VI of the Kentucky Public Service Commission Regulations, the following information is hereby submitted:

1. Article IV of the Articles of Incorporation of Confederate Acres Sanitary Sewer & Drainage System, Inc. provided for a total authorized capital of 6,000 shares of common capital stock with a par value of One Hundred Dollars per share.
2. The name of the stockholder and distribution of stock are as follows:

| <u>NAME</u> | <u>NUMBER OF SHARES OF STOCK</u> |
|----------------|----------------------------------|
| Loyie L. Allen | 6,000 |

The names of the members of the Board of Directors are:

Loyie L. Allen

Rexford V. Allen

The names of the Officers of the Corporation are:

Loyie L. Allen

President

Rexford V. Allen

Secretary - Treasurer

3. There is no preferred stock authorized.

4.

MORTGAGE LOAN

| <u>PAYABLE TO</u> | <u>DATE EXECUTED</u> | <u>ORIGINAL AMOUNT</u> | <u>BALANCE DUE</u> | <u>INTEREST RATE</u> | <u>COLLATERAL</u> |
|--|----------------------|------------------------|------------------------|-------------------------|------------------------------|
| SouthEast Fed. Savings & Loan Assoc. | 10/7/74 | \$100,000 | 1/29/79 \$89,384.57 | Ten percent (10%) | Sewage Treatment Plant |

Acct. No. D-13039 Amount of Loan \$ 10000.00 Monthly Payment \$ 124.98

| DATE | TRANSACTION DATE | MEMO | DEBIT | CREDIT | BALANCE | DATE |
|------|------------------|---------------------|--------|---------|----------|------|
| 1 | | | | | | |
| 2 | 22AUG78 | | 756.61 | 1113.36 | 9125.75 | 21 |
| 3 | 21SEP78 | | 760.29 | 1113.36 | 19085.24 | 21 |
| 4 | | | | | | |
| 5 | 23OCT78 | | 757.35 | 1113.36 | 90526.21 | 21 |
| 6 | 78-10-24 | Late Charge | | | 90526.21 | 22 |
| 7 | 78-10-24 | Late Charge | | | 90526.21 | 22 |
| 8 | 78-11-07 | Late Charge Removed | | 112.44 | 91639.59 | 22 |
| 9 | 78-11-09 | Returned Check | | | 91639.59 | 22 |
| 10 | 21NOV78 | | | | | |
| 11 | 21NOV78 | | 754.38 | 2259.76 | 90134.21 | 22 |
| 12 | | | | | | |

| | | | | | | | |
|----|----------|--------|-------------|--------|---------|----------|----|
| 13 | 21NOV78 | 223.78 | Late Charge | Paid | 223.78 | 90134.21 | 22 |
| 14 | 78-12-22 | | | 751.12 | 1124.38 | 89760.95 | 14 |
| 15 | 22JAN79 | | | 748.00 | 1124.38 | 89384.57 | 14 |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |

Payments on this loan are due on the 24 of every month.

| ACCT. NO. D-12439 AMOUNT OF LOAN \$ 100.000 MONTHLY PAYMENT \$ 1113.38 | | | | | | | |
|---|-----------|------------------|---------------------------------|----------|---------------|----------|------|
| | DATE | TRANSACTION DATE | MEMO | INTEREST | TOTAL PAYMENT | BALANCE | DEL. |
| 1 | 11 MAY 77 | | | 789.48 | 1113.38 | 9441.34 | 40 |
| 2 | 9 JUN 77 | | | 786.78 | 1113.38 | 94087.74 | 40 |
| 3 | 12 JUL 77 | | | 784.06 | 1113.38 | 95758.42 | 40 |
| 4 | 10 AUG 77 | | | 781.32 | 1113.38 | 93426.34 | 40 |
| 5 | 14 SEP 77 | | | 778.55 | 1113.38 | 93091.53 | 40 |
| 6 | 77-09-16 | 738.00 | <i>end.</i> | | | 93829.53 | 40 |
| 7 | 6 OCT 77 | | | 781.91 | 1113.38 | 93498.06 | 40 |
| 8 | 77-10-22 | 306.73 | <i>tax</i> | | | 93804.79 | 40 |
| 9 | 17 NOV 77 | | | 781.70 | 1113.38 | 93473.11 | 40 |
| 10 | 77-11-30 | 61.00 | <i>insurance</i> | | | 93534.11 | 40 |
| 11 | 7 DEC 77 | | | 779.45 | 1113.38 | 93200.18 | 40 |
| 12 | | | | | | | |
| <i>OK about Jan.</i> | | | | | | | |
| 13 | 3 FEB 78 | | | 1113.38 | 1113.38 | 93200.18 | 40 |
| 14 | 3 FEB 78 | | | 446.43 | 1113.38 | 92533.23 | 40 |
| 15 | 6 MAR 78 | | | 771.11 | 1113.38 | 92190.96 | 40 |
| 16 | 14 APR 78 | | | 768.25 | 1113.38 | 91349.63 | 40 |
| 17 | 17 MAY 78 | | | 765.38 | 1113.38 | 91497.83 | 22 |
| 18 | 15 JUN 78 | | | 762.43 | 1113.38 | 91140.93 | 40 |
| 19 | 15 JUN 78 | 1113.38 | TRANSACTION TO CORRECT ERROR ON | | | 92211.31 | 40 |
| 20 | 15 JUN 78 | | LINE # 20 | | | 91140.93 | 40 |
| 21 | 24 JUL 78 | | | 759.55 | 1113.38 | 90793.10 | 40 |
| 22 | 78-07-27 | 111.34 | | | | 90793.10 | 21 |
| 23 | 78-08-11 | 799.00 | | | | 91592.10 | 21 |
| 24 | | | | | | | |

Payments on this loan are due on the 7th of every month.

Payment MUST be in this office before 15 days after due date. A charge of 10% will be made on each dollar of payment past due.